

**U.S. Department of Justice**

*United States Attorney*

*Eastern District of Virginia*

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**NEWS RELEASE**

**FOR IMMEDIATE RELEASE  
ALEXANDRIA, VIRGINIA  
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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that Jack C. Stroud, age 44, of Burbank, California, pleaded guilty before visiting District Court Judge Leonard D. Wexler in Alexandria, to one count of conspiring to defraud the United States. Stroud faces a maximum penalty of five years imprisonment and a \$250,000 fine. Sentencing is set for May 23, 2003.

TRW, through its Space and Electronics Division in Redondo Beach, California, performed contracts for the National Reconnaissance Office in Chantilly, Virginia. Stroud was a TRW building manager at the Redondo Beach facility who had discretion to hire Bob Parrett Construction Company ("Parrett Construction") for repair and maintenance jobs performed on buildings used in the performance of NRO contracts. According to court documents, from 1997 through 1999, Stroud received approximately \$20,000 in gratuities from Parrett Construction and, in return, allowed Parrett Construction to overcharge TRW approximately \$106,000 for work performed on the buildings in question. The overcharges were then passed on to the NRO in the form of engineering overhead costs associated with TRW's performance of the contracts.

The investigation was conducted by special agents of the FBI, Defense Criminal Investigative Service, and the Office of the Inspector General of the National Reconnaissance Office. The prosecution of the case is being handled by Assistant United States Attorney Stephen Learned.